

NOTICE

Notice is hereby given that the 43rd ANNUAL GENERAL MEETING of Vardhman Textiles Limited will be held on Monday, the 5th day of September, 2016 at 09:00 a.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, Statement of Profit and Loss for the year ended on that date, together with Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Suchita Jain, (holding DIN No. 00746471), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
3. To consider and ratify the appointment of Statutory Auditors of the Company for the financial year 2016-17 and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act,

2013, read with Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S.C. Vasudeva & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of consecutive three years starting from conclusion of the 41st Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company be and is hereby ratified at the 43rd Annual General Meeting of the Company at such remuneration as may be finalized by the Chairman and Managing Director of the Company."

SPECIAL BUSINESS

4. **To re-appoint Mr. Neeraj Jain as Joint Managing Director of the Company:-**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V of Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to re-appoint Mr. Neeraj Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019 on a remuneration as detailed below:-

S.no.	Remuneration	Details
I.	Basic Salary	Basic Salary will be in the scale of ₹2,50,000 – 15,000 – 2,80,000 per month.
II.	Commission	Commission equal to 1% of the Net Profit of the Company subject to maximum of 100% of the Annual Basic Salary.
III.	Special Allowance	Special allowance @ ₹75,000 per month.
IV.	Other Allowances	Other allowances @ ₹10,500 per month.
V.	Perquisites	The perquisites shall be allowed in addition to basic salary, special allowance and commission. However, such perquisites shall be restricted to an amount equal to one year's basic salary during each year as per details given below:-
	a) Housing	House Rent Allowance equal to 40% of basic salary.
	b) Medical Reimbursement*	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.
	c) Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company subject to a maximum of ₹1,00,000 per annum.

S.no.	Remuneration	Details
	d) Personal Accident Insurance	Premium not to exceed ₹5,000 per annum.
	e) Provident Fund & other funds	Contribution to provident fund, superannuation fund or annuity fund and this will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. The said contribution will also be subject to the rules framed by the Company in this respect.
	f) Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
	g) Car	Free use of Company's car for official work as well as for personal purposes along with Driver.

** In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of three month's basic salary. The same provisions shall be applicable in case of any carry forward of medical expenses entitlement from the previous term as well.*

Explanation: "Family" means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary/ alter at any time the remuneration, terms & conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and are acceptable to Mr. Neeraj Jain.

RESOLVED FURTHER THAT Mr. D.L. Sharma, Director, be and is hereby authorised to enter into an agreement with Mr. Neeraj Jain in respect of his re-appointment as Joint Managing Director of the Company, for and on behalf of the Company."

5. To re-appoint Mr. Sachit Jain as Joint Managing Director of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V of Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to re-appoint Mr. Sachit Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019 on a remuneration as detailed below:-

S.no.	Remuneration	Details
I.	Basic Salary	Basic Salary will be in the scale of ₹3,00,000-15,000-3,30,000 per month.
II.	Commission	Commission equal to 1% of the Net Profit of the Company subject to maximum of 100% of the Annual Basic Salary.
III.	Special Allowance	Special allowance @ ₹66,000 per month.
IV.	Perquisites	The perquisites shall be allowed in addition to basic salary, special allowance and commission. However, such perquisites shall be restricted to an amount equal to one year's basic salary during each year as per details given below:-
	a) Housing	House Rent Allowance equal to 40% of basic salary.
	b) Medical Reimbursement*	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.

S.no.	Remuneration	Details
	c) Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company subject to a maximum of ₹1,00,000 per annum.
	d) Personal Accident Insurance	Premium not to exceed ₹5,000 per annum.
	e) Provident Fund & other funds	Contribution to provident fund, superannuation fund or annuity fund and this will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. The said contribution will also be subject to the rules framed by the Company in this respect.
	f) Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
	g) Car	Free use of Company's car for official work as well as for personal purposes along with Driver.

** In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of three month's basic salary. The same provisions shall be applicable in case of any carry forward of medical expenses entitlement from the previous term as well.*

Explanation: "Family" means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary/ alter at any time the remuneration, terms & conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and are acceptable to Mr. Sachit Jain.

RESOLVED FURTHER THAT Mr. D.L. Sharma, Director, be and is hereby authorised to enter into an agreement with Mr. Sachit Jain in respect of his re-appointment as Joint Managing Director of the Company, for and on behalf of the Company."

6. Approval of Vardhman Textiles Limited Employee Stock Option Plan 2016 under SEBI (Share Based Employee Benefits) Regulations, 2014:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Guidelines") and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, approval and consent of

the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee including Nomination & Remuneration Committee of the Board) to introduce, offer and implement the proposed **Vardhman Textiles Limited ESOP Plan 2016** (proposed plan), the salient features of which are detailed in the Explanatory Statement to this Notice and to create, offer, issue and allot in one or more tranches to the present and future employees of the Company selected on the basis of criteria prescribed by the Board in accordance with the SEBI Guidelines, hereinafter referred to as "the Eligible Employees" under the said proposed plan such number of options as the Board may decide which could give rise to the issue of equity shares of nominal face value not exceeding ₹63,65,180 divided into 6,36,518 equity shares of the face value of ₹10/- each on such terms and conditions described below :

The offer shall be in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by the SEBI Guidelines and in accordance with any other guidelines, rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the Company provided that:

- The equity shares issued upon exercise of the options shall rank pari passu in all respects with the existing equity shares of the Company including the entitlement of dividend.
- Each option granted to Eligible Employees shall be convertible into one equity share of nominal value of ₹10/- each on payment

of a price as decided by the Nomination & Remuneration Committee and subject to any regulation or guidelines of the SEBI in regard to the pricing of the options, as applicable from time to time.

- Each option shall be vested in the Option Holder after a minimum period of 1 (one) year from the date of grant of the option.
- The options shall be valid and exercisable for a period of 2 years from the date of vesting of the options.
- The consideration for the shares to be issued upon exercise of an option, may as determined by the Nomination & Remuneration Committee at the time of granting the Options, consist of cash, cheque or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment.
- No employee shall, during any fiscal year of the Company, be granted options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.
- The Company shall conform to the accounting policies mandated by applicable law or regulations of the SEBI or any other relevant regulation as is applicable to the accounting of such options.

RESOLVED FURTHER THAT the Board is also authorised to take necessary steps for listing of the shares allotted under the proposed plan, on the Stock Exchanges where the Company's equity shares are listed as per the terms and conditions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the proposed plan on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the proposed plan subject to the condition that it is not detrimental to the interests of the employees.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and to appoint consultants, advisors, etc. and pay fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to

settle all questions, difficulties or doubts that may arise in relation to the implementation of the proposed plan and to the shares issued herein without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by authority of this Resolution.

RESOLVED FURTHER THAT in case the Company's equity share capital or its valuation is effected due to any corporate action like issue of Bonus / Rights shares, stock split, consolidation, merger, restructuring or any such event happening subsequent to the grant of options, the Board shall have the discretion to make appropriate amendments to the proposed plan including change in number of options, the exercise price or floating a new scheme / extend the application of the existing scheme or any other fair and just mechanism including acceleration of options, in accordance with law, if deemed necessary, while striving to ensure that the rights of employees are not affected.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein to any committee, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

7. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2017:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies Cost Audit rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Company, Cost Auditors, New Delhi appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be paid the remuneration of ₹4,61,500/-.

RESOLVED FURTHER THAT Mr. S.P. Oswal, Chairman & Managing Director and Ms. Karan Kamal Walia, Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

BY ORDER OF THE BOARD

Place: Ludhiana
Dated: 9th May, 2016

(KARAN KAMAL WALIA)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS SEPARATELY ENCLOSED ALONGWITH ATTENDANCE SLIP.

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed on **Monday, 29th August 2016**.
4. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
5. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
6. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10:30 a.m. to 12:30 p.m.
8. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/ Registrar and Transfer Agent.
9. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their members electronically.

In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance Sheet, Statement of Profit & Loss and Director's Report etc. and other communications in electronic form.

The Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with

Registrar & Transfer Agent, Alankit Assignments Limited, New Delhi (in case of shares held in physical form).

10. The Annual Report 2015-16 is being sent through electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant (s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2015-16 are being sent by permitted mode.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent.

12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote at the 43rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on 2nd September, 2016 (9:00 a.m.) and ends on 4th September, 2016 (5:00 p.m.). During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29th August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 4th September, 2016. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance slip provided with the Annual report. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN: 160804023 for <VARDHMAN TEXTILES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-voting" available for android based mobiles. The m-voting app can be downloaded from google Play Store. Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively as on after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 29th August, 2016 may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
13. M/s. B.K. Gupta & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e voting process). The Scrutinizer shall upon the conclusion of E-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
14. The Results of the resolutions passed at the AGM of the Company will be declared within 48 hours of conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website www.vardhman.com and on the website of CDSL and will be communicated to the stock exchanges.

15. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

BY ORDER OF THE BOARD

Place: Ludhiana
Dated: 9th May, 2016

(KARAN KAMAL WALIA)
Company Secretary

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 of the Special Business:

The Board of Directors vide resolution dated 7th August, 2014 had appointed Mr. Neeraj Jain as Joint Managing Director of the Company for a period of two consecutive years starting from 7th August, 2014 to 6th August, 2016 at terms and conditions approved by the shareholders in their General Meeting held on 24th September, 2014.

The Board of Directors in its meeting held on 25th January, 2016 had re-appointed Mr. Neeraj Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019. The terms and conditions of the remuneration being paid to him are detailed in the resolution. His appointment is subject to approval of members of the Company. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Neeraj Jain, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This disclosure may also be regarded as a sufficient disclosure under Corporate Governance clause of the Uniform Listing Agreement with the stock exchanges.

Item No. 5 of the Special Business:

The Board of Directors vide resolution dated 7th August, 2014 had appointed Mr. Sachit Jain as Joint Managing Director of the Company for a period of two consecutive years starting from 7th August, 2014 to 6th August, 2016 at terms and conditions approved by the shareholders in their General Meeting held on 24th September, 2014.

The Board of Directors in its meeting held on 9th May, 2016 had re-appointed Mr. Sachit Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019. The terms and conditions of the remuneration being paid to him are detailed in the resolution. His appointment is subject to approval of members of the Company. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Sachit Jain, being an appointee, Mrs. Suchita Jain, being appointee's relative, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This disclosure may also be regarded as a sufficient disclosure under Corporate Governance clause of the Uniform Listing Agreement with the stock exchanges.

Item No. 6 of the Special Business:

Vardhman Textiles Limited Employee Stock Option Plan 2016

a) Brief description of the scheme:

In order to create a sense of ownership and participation amongst

the employees, to reward long term employee loyalty towards the Company, to motivate the employees with incentives, inspire loyalty and reward opportunities, to provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company and to achieve sustained growth of the Company the Board of Directors in its meeting held on 9th May, 2016 have approved and proposed for the approval of the shareholders for issue of Stock Options as per which employees, who comply with certain eligibility criteria would be granted stock options to subscribe a specified number of equity shares of the Company offered to them at a price to be determined. The proposed plan would be subject to and in conformity with the SEBI Guidelines.

b) Total number of options to be granted:

- (i) The maximum aggregate number of shares that may be granted under the proposed plan is 1% of the total issued capital i.e. 6,36,518 equity shares of the face value of ₹10 /-.
- (ii) One option entitles the holder of the options to apply for one equity share of the company subject to corporate action.

c) Eligibility criteria for the employees to participate:

The following are eligible to participate in the proposed plan of the Company:

- (i) a permanent employee of the company who has been working in India or outside India; or
- (ii) a director of the company whether a whole time director or not but excluding an independent director; or
- (iii) an employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include-
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

d) Requirements of vesting:

There shall be a minimum period of one year between the grant of options and vesting of options. However, in case where options are granted by a company under the proposed plan in lieu of options held by the employee under an ESOP plan in another company which has merged or amalgamated with that company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period of one year.

e) Vesting:

The vesting shall happen in one or more tranches as may be decided by the Nomination & Remuneration Committee and communicated to the employee at the time of grant.

f) Exercise price or price formula:

The exercise price for the conversion of one option into one equity share shall be as decided by the Nomination & Remuneration Committee.

g) Exercise Period and the Process of Exercise:

- (i) Exercise period shall be two years from the date of vesting of the options.
- (ii) If an eligible employee's employment with the company terminates otherwise than due to "Cause", the eligible employee shall be eligible to exercise all the vested options within 30 days of his termination of employment with the company or such extended period as decided by the Nomination & Remuneration Committee.
"Cause" for the purpose of the Plan shall mean, as determined by the Nomination & Remuneration Committee and shall include,
 - (i) the engaging by the eligible employee in wilful, reckless or grossly negligent conduct which is determined by Nomination & Remuneration Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise.
 - (ii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company.
 - (iii) the eligible employee pleading guilty to or conviction of a felony.
 - (iv) violation of any terms of employment contract.
- (iii) If an eligible employee's employment with the company terminates due to Death or Permanent disability, the eligible employee / nominee shall be eligible to exercise all the options within 30 days or such period as decided by the Nomination & Remuneration Committee.
- (iv) The options will be exercisable by the employees by a written application to the Nomination & Remuneration Committee to exercise the options, in such manner and on execution of such documents as may be prescribed by the Nomination & Remuneration Committee under the proposed plan.
- (v) The options will lapse if not exercised within the specified exercise period.

h) Parameters/Process for determining the eligibility of employees to the ESOP Scheme:

- (i) Employees would be granted stock options based on their tenure in the Company or such other parameters as may be decided by the Nomination & Remuneration Committee from time to time.
- (ii) The Nomination & Remuneration Committee may at its discretion extend the benefits of the proposed plan to a new entrant or any existing employee on such other basis as it may deem fit.

(i) Maximum number of options to be issued per employee and in aggregate:

- (i) The maximum number of options to be granted to each employee will depend upon the rank/ designation of the employee as on the date of grant of options. However no employee shall be entitled to more than such number of options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.
- (ii) The maximum aggregate number of shares that may be granted under the proposed plan is 1% of the total issued Share Capital i.e 6,36,518 shares.
- (iii) The Nomination & Remuneration Committee shall decide on the number of options to be granted to each employee within this limit.

j) Maximum quantum of benefits to be provided per employee:

The maximum quantum of benefit to be provided per employee shall depend upon various factors e.g. number of option granted, exercise price and Fair Market Value on exercise date. However no employee shall be entitled to more than such number of options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.

k) Mode of Implementation and administration of Scheme:

The scheme shall be directly implemented and administrated by the Company through the Nomination & Remuneration Committee.

l) Issuance of shares under the Scheme:

The company shall issue fresh shares as and when application for exercise of options are received by the Company from the employees.

m) Accounting Methods:

The Company shall confirm to the accounting policies specified in the SEBI Guidelines and/or such other guidelines as may be applicable from time to time.

n) Method of valuation of the options:

The Company shall use the prescribed method for valuation of the options.

Clause 6 of the SEBI Guidelines requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the shareholders by way of a Special Resolution in the General Meeting and furthermore, as the Scheme will entail further shares to be offered to persons other than the existing shareholders of the company, consent of the members is required by way of a Special Resolution pursuant to the provisions of sub section (b) of Section 62 of the Companies Act, 2013 for the Item No. 6 and all other applicable provisions of the law for the time being in force.

The Board of Directors recommends the Special Resolution as set out in Item No. 6 for the approval of the members.

Memorandum of Interest:

Except Mr. Neeraj Jain, Joint Managing Director, Mr. D. L. Sharma, Director and Mr. Rajeev Thapar, CFO, none of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7 of the Special Business:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendations of Audit Committee, the Board of Directors in its meeting held on 9th May, 2016 had appointed M/s. Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, New Delhi as Cost Auditors of the Company to conduct Cost Audit for Financial Year ending 31st March, 2017.

Accordingly, the consent of the members is solicited for passing an Ordinary Resolution as set out at Item No. 7 of the notice for ratification of payment of remuneration of ₹4,61,500/- to the Cost Auditors for the Financial Year ending 31st March, 2017. The Board commends the Ordinary Resolution as set out at Item No. 7 of the Notice for approval by the shareholders.

Memorandum of Interest:

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Information Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/ re-appointment in the Annual General Meeting

Name of the Director	Mrs. Suchita Jain	Mr. Neeraj Jain	Mr. Sachit Jain
Date of Birth	20.03.1968	09.10.1967	08.07.1966
Date of Appointment	29.01.2010	31.03.2010	13.06.1994
Expertise in specific functional area	Business Executive having experience of more than 23 years in Textile Industry.	Business Executive having experience of more than 24 years in Textile Industry.	Business Executive having experience of more than 26 years in Textile Industry.
Qualification	M.Com	B.Com, C.A.	B. Tech, M.B.A.
Directorships of Other Companies as on 31 st March, 2016	- Vardhman Special Steels Limited - Vardhman Holdings Limited - Vardhman Spinning and General Mills Limited - VTL Investments Limited - Srestha Holdings Private Limited - Pradeep Mercantile Company Private Limited - Plaza Trading Company Private Limited - Anklesh Investments Private Limited - Santon Finance and Investment Company Limited - Flamingo Finance and Investment Company Limited - Ramaniya Finance and Investment Company Limited - Syracuse Investment & Trading Company Private Limited - Marshall Investment & Trading Company Private Limited	- VMT Spinning Company Limited - Vardhman Nisshinbo Garments Company Limited - Vardhman Apparels Limited - Vardhman Textile Components Limited - Vardhman Spinning and General Mills Limited	- Vardhman Special Steels Limited - Vardhman Acrylics Limited - Vardhman Yarns and Threads Limited - Vardhman Holdings Limited - Vardhman Nisshinbo Garments Company Limited - UTI Asset Management Company Limited - The Alloy Steel Producers Association of India - Srestha Holdings Private Limited - Pradeep Mercantile Company Private Limited - Plaza Trading Company Private Limited - Anklesh Investments Private Limited - Mahavir Spinning Mills Private Limited - Devakar Investment & Trading Company Private Limited - Syracuse Investment & Trading Company Private Limited - Marshall Investment & Trading Company Private Limited
Chairman/Member of Committees of Other Companies as on 31 st March, 2016	Corporate Social Responsibility Committee: - Vardhman Holdings Limited (Chairperson) - Vardhman Special Steels Limited Stakeholder's Relationship Committee: Vardhman Special Steels Limited	Audit Committee: VMT Spinning Company Limited	Corporate Social Responsibility Committee: - Vardhman Acrylics Limited (Chairman) - Vardhman Special Steels Limited Stakeholder's Relationship Committee: - Vardhman Holdings Limited (Chairman) Asset Liability & Risk Management Committee: - Vardhman Holdings Limited (Chairman) Nomination & Remuneration Committee: - Vardhman Holdings Limited - Vardhman Nisshinbo Garments Company Limited (Chairman) - Vardhman Special Steels Limited HR Committee: - UTI Asset Management Company Limited
Shareholding in the Company	270,818	-	40,005
Relationship with other Director(s)	Mr. S.P. Oswal is the Father and Mr. Sachit Jain is the husband of Mrs. Suchita Jain.	Not related to any Director	Mrs. Suchita Jain is wife of Mr. Sachit Jain.

VARDHMAN TEXTILES LIMITED

CIN: L17111PB1973PLC003345

Regd. Office: Chandigarh Road, Ludhiana-141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2220766

E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com**ATTENDANCE SLIP
E-VOTING PARTICULARS****43rd ANNUAL GENERAL MEETING****2016**

I/We hereby record my/our presence at the 43rd Annual General Meeting of Vardhman Textiles Limited held at Registered office of the Company situated at Chandigarh Road, Ludhiana-141 010 on Monday, the 5th day of September, 2016 at 09.00 a.m.

Member's Folio/DP ID-Client ID No.

Member's /Proxy's name in Block Letters

Member's/Proxy's Signature

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of meeting place.
2. Electronic copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for 2015-16 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	USER ID / Folio No. / DP / Client ID	SEQUENCE NO.

NOTE: Please read instructions given at Point No. 12 of the Notice of 43rd Annual General Meeting annexed in the Annual Report for 2015-16 of the Company, carefully before voting electronically.

VARDHMAN TEXTILES LIMITED

CIN: L17111PB1973PLC003345

Regd. Office: Chandigarh Road, Ludhiana-141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2220766

E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We being the holder(s) of.....shares of the above named Company bearing folio no..... hereby appoint :

1. Name : Address :
E-mail Id : Signature: or failing him;
2. Name : Address :
E-mail Id : Signature: or failing him;
3. Name : Address :
E-mail Id : Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held on Monday, the 5th day of September, 2016 at 09.00 am at the Registered Office of the Company situated at Chandigarh Road, Ludhiana-141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS NO.	
Ordinary Business	
1.	Adoption of Financial Statements, Reports of the Auditors and Directors of the Company for the Financial Year ended 31 st March, 2016.
2.	Re-appointment of Mrs. Suchita Jain, Director who retires by rotation.
3.	Ratification of the appointment of Statutory Auditors of the Company for the Financial Year 2016-17 and fix their remuneration.
Special Business	
4.	Re-appointment of Mr. Neeraj Jain as Joint Managing Director of the Company
5.	Re-appointment of Mr. Sachit Jain as Joint Managing Director of the Company.
6.	Approval of Vardhman Textiles Limited Employee Stock option Plan 2016 under SEBI (Share Based Employee Benefits) Regulations, 2014
7.	Ratification of the Remuneration of Cost Auditors for the Financial year ended 31 st March, 2017.

Signed this day of 2016.

Signature of shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue
Stamp not
less than
Rs. 0.15

